



Prepared by the Rural Education Equity Alliance (REEAL)  
(comprising concerned Goulburn Valley parents, students and supporters)



## Rural & Regional Youth Allowance

### GET REEAL Proposal

The parents and students calling themselves the Rural Educational Equity Alliance (GET REEAL) support a Rural and Regional Youth Allowance to help alleviate accommodation costs for students who need to leave home to attend university.

We propose a postcode system to determine eligibility for the allowance. Such a system would ensure only students who completed their VCE at a rural or regional school would be deemed eligible. Other provisos would be:

- The student must have to leave home to attend University.
- Their home address is more than 80 km's from University.

We acknowledge that this blanket approach will mean some relatively wealthy rural families will be eligible for the allowance, but we believe the overall benefits of this policy will far outweigh any potential disadvantages. The numbers of wealthy who would benefit would be far fewer than those who have rorted the current system while living at home in metropolitan areas.

Recent studies of rural students have revealed:

- A trend of increasing regional disadvantage
- A pattern of rising rates of deferral (at least 2 and a half times greater than in the city)
- Approximately three in 10 (30.1 per cent) do not take up a place at university after one year
- Deferrers from regional areas less likely to take up a university place than others
- Financial barriers remained prominent among the reasons given by young people for having not taken up a place in education or training
- Students working long hours while at university were more likely to have dropped out of their course.

Due to the cost of relocating for many regional students wishing to attend university many have opted in the past to defer and work and thereby gain the independent youth allowance. Even with the allowance families report having to provide students with some \$200 per week to study in a metropolitan area.

The recent studies outlined above show this is fraught with problems and there is a very real chance students will never begin or complete university under this scenario.

The proposed Federal legislation for youth allowance makes the path to university even more difficult for the offspring of middle income earners who are not automatically entitled to youth allowance due to low family incomes.

*A recent Inquiry into Geographical Differences in the Rate in which Victorian Students Participate in Higher Education recommended all students who must relocate to undertake their studies should be eligible to receive student income support. Based on this evidence and findings it would be ideal if students could qualify for the Rural & Regional Youth Allowance without having to defer for the proposed two years as specified in the recent proposed legislation.*

The Government recently announced it will extend the old system for a further six months only for those who are required to relocate and live more than 90 minutes away from university.

Apparently this is at a cost of an additional \$140m. We are aware that the Federal Government is open to suggestions but are wanting a cost neutral Youth Allowance. However if these changes for rural & regional students were ongoing it would not cost additional funding until May 2011 (current gap year students will qualify May 2010). Any expenditure could be held off to the March 2011 and subsequent budgets.

The current National unemployment rate for persons aged 15-19 years is 23.9 per cent. This is over four times higher than the current National total unemployment rate, which is 5.2 per cent. This equates to nearly 62,000 15-19 year olds who are currently unemployed and looking for full time work. The figures are even higher in rural and regional areas.\* Statistics are from the Australian Bureau of Statistics Labour Force Survey and are based on figures for February 2009.

The proposed changes will make it extremely difficult for many rural & regional middle class families to attend university. The lack of employment opportunities in many rural & regional communities is limited and diminishing. Many students will find it impossible to find 30 hours per week of work for 18 months in a two-year period and we question whether students will drop by the wayside and fail to attend university after two years out of the education sector. With jobs at a premium in rural regions, if gap students do find work they displace other young people seeking employment who never intended going to university.

Another relevant point is rural students attending university colleges struggle to hold down employment as their accommodation is only available during semesters. The students return home for holidays and breaks where they also find it difficult to secure ongoing employment.

Under the proposed legislation, we fear many families planning to send their children to university will stay in, or move to, metropolitan areas. A family of three students would save \$200,000 in the process. As a result, we foresee a shortfall of professionals in rural areas as families downgrade their aspirations for their children and thousands of young people give up their dreams of a tertiary education. Since the proposed changes to Youth Allowance the number of students seeking to undertake VCAL studies in our area has sky rocketed. Wanganui Park Secondary College in Shepparton now has a waiting list for VCAL studies made up of kids who have decided university is no longer an option.

Where will our next generation of nurses, teachers and accountants come from? Whatever happened to the education revolution??

## Recommendations:

1. That the current GAP arrangements be extended from six months to 18 months (June 2011) with a Rural and Regional Youth Allowance to be funded in the 2010 budget.
2. The allowance would be based on the following:
  - A postcode system to determine eligibility for the allowance. Such a system would ensure only students who completed their VCE at a rural or regional school would be deemed eligible.
  - The student must have to leave home to attend University.
  - Their home address is more than 80 km's from University.
3. Given the shortage of available employment in regional areas, we recommend that where students meet the criteria for the Rural & Regional Youth Allowance (as outlined above) they should not be required to take a Gap year and earn a minimum amount but are automatically eligible for the Allowance.
4. Students undertaking Year 12 study in schools identified as \*regional & rural and required to leave home to study would be eligible for the Rural and Regional Accommodation Allowance where it is not practical to live at home whilst undertaking tertiary studies. They will be automatically entitled to an accommodation allowance of \$15,000 per annum. This measure could be partially funded by removing the \$4000 relocation allowance and redefining the dependant criteria.
5. The new Youth Assistance estimator needs to be modified to take into account dependants living at home under the age of 16 when calculating combined family income for the purposes of the current Youth Allowance entitlement.

\* Definition of rural areas determined by Australia Post postcode.